

VETO OF H.R. 17809

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT APPROVAL, AN ACT (H.R. 17809) TO PROVIDE AN EQUITABLE SYSTEM FOR FIXING AND ADJUSTING THE RATES OF PAY FOR PREVAILING RATE EMPLOYEES OF THE GOVERNMENT, AND FOR OTHER PURPOSES

JANUARY 2, 1971.—Referred to the Committee on Post Office and Civil Service and ordered to be printed

To the House of Representatives:

I am returning, without my approval, H.R. 17809, a bill which would fix in law the pay practices applied to Federal "blue collar" employees.

A uniform government-wide wage system for these employees already exists. The Coordinated Federal Wage System which is now in effect is flexible and can respond to changing labor market conditions. The responsiveness of the present method has been demonstrated recently as it provided average wage increases of 9.5 percent during Fiscal Year 1969 and 8.1 percent in Fiscal Year 1970.

H.R. 17809 would also have adverse economic implications. At a time when the Administration is most concerned about inflationary wage settlements in the private sector, this bill would mean that many Federal Employees in a given locality would be paid at much higher rates than those prevailing in the private sector of the same locality. Under the present system, most Federal blue collar workers are already paid four percent more than prevailing rates. This bill would mean that about two-thirds of these workers would be paid at rates eight percent above prevailing rates.

The costly and unwarranted pay features of H.R. 17809 would add still further to a \$4 billion blue collar Federal payroll. Since the majority of the employees covered by the proposed bill are employed by the Department of Defense, the only way in which the substantial

added costs of the enrolled bill could be met would be through further reductions in employment levels. The Department of Defense has been undergoing substantial employee reductions in the past two years and further reductions would not be acceptable at this time.

Finally, it should be noted that when the wages of Federal employees go up, even greater pressures are placed on private employers to raise their own wages—and thus the fires of inflation are fueled.

In order to keep the administrative wage structure flexible, to fight inflation, and to maintain sufficient employment levels, I must disapprove this bill.

RICHARD NIXON.

The WHITE HOUSE, *January 1, 1971.*